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SUBJECT: NIGERIA: FATF UPDATE

1.(SBU) With the threat of FATF-directed "counter-measures" looming three weeks away, Nigeria's House of Representatives on November 21 passed all three pending pieces of money laundering legislation. These are amendments to the 1995 Money Laundering Act and 1991 Banking and Other Financial Institutions Act and the Financial Crimes Commission Act. The Senate has yet to vote on any of the legislation, though there are indications a vote could come within the next few days.

2.(SBU) RNLEO, accompanied by LEGATT, Assistant USSS Attaché and Assistant DEA Attaché, November 25 called on Alhaji Abudllahi Abubakar, Chairman of the Senate Committee on Narcotics and Financial Crimes -- one of three Senate Committees reviewing the money laundering legislation.

3.(SBU) Abubakar expressed appreciation for the seriousness of the impending sanctions, while complaining that the Presidency had only proposed the two Amendments in late September and was now pushing the National Assembly to act quickly or face the blame for international condemnation on money laundering. Noting that the House had passed all three bills without revisions, Abubakar stated that he and other other Chairmen in the Senate had first wanted to merge all three pieces of legislation into one bill since they all cover the same topic. In the interest of time, however, the Senators agreed to vote on all three separately. Abubakar revealed that the Senate has made two changes to the Banking and Other Financial Institutions (BOFI) Amendment. The draft BOFI amendment presented by the Presidency allows the CBN to refuse a bank or financial institution a license without stating a reason. The Senate feels this is not reasonable and has changed the bill's language to require an explicit reason. Also, the President's BOFI amendment allows the Central Bank of Nigeria (CBN) to freeze accounts if deemed suspicious. Abubakar said the Senate believes this is giving the Executive too much power and has changed the bill's language to require a court order before an account can be frozen.

4.(SBU) The other two bills -- the Money Laundering Act amendment and the Financial Crimes Commission Act -- apparently have not been modified by the Senate. Abubakar assured the USG visitors that all three would be brought to a vote by November 27, though he acknowledged that the House and Senate versions of at least one bill will be discordant and will require "harmonization" between the two houses (i.e. convocation of a conference committee). Abubakar was upbeat on the prospects of having the bills passed by the Senate and reconciled with the House before the National Assembly adjourns for holidays in early December.

5.(SBU) Post will continue to monitor this situation closely.

JETER